



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

AQUARION WATER COMPANY OF MASSACHUSETTS
D.T.E. 05-94

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Aquarion Water Company of Massachusetts ("Company") the following Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.

5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve a copy of the responses **no later than the close of business on June 22, 2006**, on Mary Cottrell, Secretary of the Department and on all parties; and submit one copy each to Jeanne Voveris - Hearing Officer and Paul E. Osborne - Rates and Revenue Requirements Division.

Information Requests

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| DTE 1-1 | Refer to the prefiled testimony of Linda Discepolo at 3, and the attached letter dated May 22, 2003. Please explain: (1) the role of the construction fund requisitions in the determination of excess construction proceeds; and (2) why the Company itself did not maintain the relevant records that had been lost in the fire. |
| DTE 1-2 | Refer to the prefiled testimony of Linda Discepolo at 6. Please provide the monthly interest rate applied to Account 242-035, “Overcollection of Lease Payment” from the creation of this account to date. |
| DTE 1-3 | Refer to the prefiled testimony of Linda Discepolo at 6. Please provide an illustrative example of the one-time credit to customer bills proposed by the Company. For purposes of this response, assume that the credit was passed back to customers on May 1, 2006. |
| DTE 1-4 | Refer to Exhibit LMD-1, at 1. Please reconcile the reported actual construction cost of \$37,390,000 with the \$37,644,225 in final project costs reported by the Company to the Department per attached letter dated November 16, 2000. |

- DTE 1-5 Refer to Exhibit LMD-1, at 1. Do the reported actual construction cost of \$37,390,000 and final project cost of \$37,644,225 take into consideration the \$1,635,000 in project cost disallowances by the Department in Massachusetts-American Water Company, D.P.U. 95-118, at 57 (1996)?
- DTE 1-6 Refer to Exhibit LMD-1, at 1. Please provide all workpapers, calculations, assumptions, etc. used to derive the Interest on Construction Fund of \$1,275,000.
- DTE 1-7 Refer to Exhibit LMD-1, at 1. Please provide all workpapers, calculations, assumptions, etc. used to derive the Reduction in Debt Service Reserve Fund of \$199,000.
- DTE 1-8 Refer to Exhibit LMD-2, at 1. Does the column "Previously Approved" refer to the treatment plant lease payments established under the settlement agreement approved in Massachusetts-American Water Company, D.T.E. 00-105 (2001)?
- DTE 1-9 Refer to Exhibit LMD-2, at 1. Please provide this schedule with the following revisions: (1) substituting the treatment plant lease payment data established under the settlement agreement approved in Massachusetts-American Water Company, D.T.E. 00-105 (2001) for those presently found in the "New" column; and (2) substituting the treatment plant lease payment data established by the Department pursuant to Massachusetts-American Water Company, D.T.E. 95-118 (1996) for those presently found in the "Previously Approved" column.
- DTE 1-10 Refer to the prefiled testimony of David Livingstone at 2. Please explain how Mr. Livingstone determined that the revised lease payment structure continued to meet the definition of an operating lease under lease accounting requirements.
- DTE 1-11 Refer to Exhibit DL-2, at 1. Please reconcile the total construction cost of \$36,714,000 with the \$37,644,225 in final project costs reported by the Company to the Department per attached letter dated November 16, 2000.